

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
MARSHALL DIVISION**

**LOYALTY CONVERSION SYSTEMS
CORPORATION,**

Plaintiff,

v.

AMERICAN AIRLINES, INC.

Defendant.

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Case No. 2:13-cv-655

Jury Trial Demanded

LOYALTY CONVERSION SYSTEMS' STIPULATION ON CLAIMS

Loyalty Conversion Systems Corporation ("Loyalty Conversion") hereby stipulates that the allegations, acts, claims, remedies sought, and requests for relief alleged in its Original Complaint (and any subsequent amendments) are limited to the period following the issuance of U.S. Patent No. 8,313,023 on November 20, 2012.

American Airlines, Inc. ("American") represents that on November 29, 2011 (the "Commencement Date"), AMR Corporation, American, American Eagle Airlines, Inc., Executive Airlines, Inc., and certain of their subsidiaries and affiliates (collectively, the "Debtors") filed voluntary petitions seeking bankruptcy protection under chapter 11 of title 11 of the United States Code (11 U.S.C. § 101 et seq.) (the "Bankruptcy Code") in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court"). The bankruptcy cases are being jointly administered under Chapter 11 Case No. 11-15463 (SHL) (the "Bankruptcy Cases").

Section 362(a) of the Bankruptcy Code (the "Automatic Stay"), provides, *inter alia*, that the filing of a bankruptcy petition "operates as a stay, applicable to all entities," of "the

commencement or continuation, including the issuance or employment of process, of a judicial, administrative, or other action or proceeding against the debtor that was or could have been commenced before the commencement of the case under [the Bankruptcy Code], or to recover a claim against the debtor that arose before the commencement of the [bankruptcy] case” and of “any act to obtain possession of property of the estate or of property from the estate or to exercise control over property of the estate.” 11 U.S.C. §§ 362(a)(1) & 362(a)(3).

Loyalty Conversion and American acknowledge that, provided that Loyalty Conversion’s claims are limited to the time period following November 20, 2012 as stipulated above, the Automatic Stay does not prevent the above referenced case for being heard and adjudicated.

American asserts, however, that the Automatic Stay does prevent Loyalty Conversion from collecting, or taking any action to collect, any settlement or judgment, if any, awarded in the above referenced case until such time as the Automatic Stay is lifted. *Larami Limited v. Yes! Entertainment Corp.*, 244 B.R. 56 (D.N.J. 2000) (holding that although patent infringement action against debtor for alleged post-petition infringement was not stayed, that plaintiff must seek relief from the automatic stay before seeking to collect on any judgment). Furthermore, American reserves the right to take any and all actions necessary to enforce the Automatic Stay in connection with the collection of any settlement or judgment.

Nothing herein shall be construed as a waiver of any right of either Loyalty Conversion or American, nor give rise to any estoppel with respect to Loyalty Conversion’s claims against American or American’s claims against Loyalty Conversion.

DATED: October 7, 2013.

Respectfully submitted,

By: /s/ Andrew G. DiNovo

Andrew G. DiNovo

Texas State Bar No. 00790594

Jay D. Ellwanger

Texas State Bar No. 24036522

Adam G. Price

Texas State Bar No. 24027750

DiNovo Price Ellwanger & Hardy LLP

7000 N. MoPac Expressway, Suite 350

Austin, Texas 78731

Telephone: (512) 539-2626

Telecopier: (512) 539-2627

**ATTORNEYS FOR PLAINTIFF
LOYALTY CONVERSION SYSTEMS
CORPORATION**

/s/ John B. Campbell

Mike McKool

Texas Bar No. 13732100

Lead Attorney

Phillip Aurentz

Texas State Bar No. 24059404

MCKOOL SMITH, P.C.

300 Crescent Court, Suite 1500

Dallas, Texas 75201

Telephone: (214) 978-4000

Telecopier: (214) 978-4044

mmckool@mckoolsmith.com

paurentz@mckoolsmith.com

John B. Campbell

Texas Bar No. 24036314

MCKOOL SMITH, P.C.

300 W. 6th Street, Suite 1700

Austin, Texas 78701

Telephone: (512) 692-8700

Facsimile: (512) 692-8714

jbcampbell@mckoolsmith.com

**ATTORNEYS FOR DEFENDANT
AMERICAN AIRLINES, INC.**

CERTIFICATE OF SERVICE

The undersigned certifies that the foregoing document was filed electronically in compliance with Local Rule CV-5(a). Local Rule CV-5(a)(3)(A).

/s/ John Campbell